

Message Text

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PAGE 01 MUNICH 03414 211006Z
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E.O. 11652: N/A
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SUBJECT: STRAUSS SKEPTICAL ABOUT BONN ECONOMIC SUMMIT
BUT ENDORSES ITS ENERGY GOALS

1. CSU CHAIRMAN FRANZ JOSEF STRAUSS IS SKEPTICAL ABOUT THE RESULTS OF THE RECENTLY CONCLUDED BONN ECONOMIC SUMMIT. EXPRESSING HIS VIEWS IN THE LEAD ARTICLE IN THE JULY 22 ISSUE OF THE CSU ORGAN, "BAYERNKURIER," STRAUSS CONCLUDES THAT THE SUMMIT DEVELOPED INTO A KIND OF "SHOW BUSINESS" WHICH FAILED TO DEVELOP CONCRETE POLICIES.

2. STRAUSS BELIEVES THAT THE CHIEF ECONOMIC AILMENT OF THE WEST -- WHICH HE DIAGNOSES AS A LACK OF CONFIDENCE IN THE WEST'S POLITICAL AND ECONOMIC FUTURE COUPLED WITH AN OVERTAXING, THROUGH EXCESSIVE SOCIETAL CLAIMS, OF THE INDUSTRIAL ECONOMIES' PRODUCTIVE CAPABILITIES -- WILL

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PAGE 02 MUNICH 03414 211006Z

NOT BE HEALED BY THE DECLARATIONS MADE AT THE BONN SUMMIT. HE CONCLUDES THAT THERE IS ONLY ONE REAL WAY FOR EACH OF THE SEVEN NATIONAL ECONOMIES REPRESENTED AT THE BONN SUMMIT PERMANENTLY TO OVERCOME THE RECESSIONS CONFRONTING THE WEST, NAMELY FOR EACH OF THE SEVEN GOVERNMENTS TO MAKE A CONCERTED NATIONAL EFFORT IN THE FIELDS OF FINANCIAL AND ECONOMIC MANAGEMENT.

3. ALTHOUGH HE OFFERS NO RPT NO SPECIFIC PRESCRIPTION FOR THE OTHER SIX COUNTRIES, STRAUSS CALLS ON THE SPD/FDP GOVERNMENT IN BONN TO REDUCE THOSE TAXES WHICH INHIBIT INDUSTRIAL PRODUCTIVITY AND INVESTMENT. STRAUSS CHALLENGES CHANCELLOR SCHMIDT TO SAY WHETHER HE IS READY TO PUT ALLEGEDLY LONG OVERDUE TAX REDUCTIONS INTO EFFECT INSTEAD OF UTILIZING SENSELESS SPENDING PROGRAMS WHICH WOULD, IN STRAUSS' VIEW, GENERATE ONLY "STRAW FIRES."

4. STRAUSS STRIKES A POSITIVE NOTE IN DISCUSSING THE ENERGY POLICY MEASURES ADVOCATED AT THE BONN SUMMIT. HE ENDORSES THE AIMS OF INCREASED RELIANCE ON COAL AND NUCLEAR ENERGY, CLAIMING THIS CORRESPONDS TO THE LONG-STANDING GOALS OF THE CDU AND CSU. STRAUSS CALLS ON THE CHANCELLOR TO MAKE THE SUMMIT'S ENERGY GOALS PLAUSIBLE TO LEFT WING ELEMENTS IN THE SPD AND FDP.

5. COMMENT. CONGEN BELIEVES THAT STRAUSS' COMMENTS SHOULD BE READ ON TWO LEVELS: FIRST, AS THE UTTERANCES OF A PARTISAN OPPOSITION POLITICIAN AND SECONDLY, AS THOSE OF ONE OF THE MOST KNOWLEDGEABLE AND EXPERIENCED ECONOMIC AND FINANCIAL POLICY MAKERS IN THE FRG. JUDGING FROM PAST EXPERIENCE, STRAUSS' VIEWS ARE LIKELY TO BE TAKEN SERIOUSLY BY IMPORTANT SEGMENTS OF THE FRG

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PAGE 03 MUNICH 03414 211006Z

BUSINESS AND FINANCIAL COMMUNITY. HE IS ALSO CONTINUING TO BUILD A RECORD OF CRITICISM OF THE PRESENT BONN GOVERNMENT'S ALLEGED MISMANAGEMENT OF THE COUNTRY'S ECONOMY. GILMORE

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